CTC

COST-TO-COMPLETE

The term "cost-to-complete" (CTC) refers to the estimated cost for future cleanup of environmental contamination through site closeout including response actions to address unexploded ordnance, discarded military munitions, and munitions constituents under the Defense Environmental Restoration Program (DERP).

Army DERP and compliance-related cleanup guidance requires installations to prepare CTC estimates for each site in the program and update the estimate annually.

HOW DOES THE ARMY USE CTC ESTIMATES?

FUNCTIONAL COMMUNITY

CTC estimates are used in the budget process to support Program Objective Memorandum (POM) submissions, in the annual development of the President's budget, and to track cost avoidance measures.

FINANCIAL COMMUNITY

DoD requires the Army to use the CTC estimates for each cleanup program category such as active and Base Realignment and Closure installations, or compliance-related cleanup as the basis for the environmental liability portion of the Army's annual financial statement required by the Chief Financial Officer's Act of 1990.

Note: Keep in mind that the cost estimates and the associated documentation falls to the functional community, and the financial community uses those cost estimates to develop the environmental liability estimates that are appropriately recognized and disclosed on the financial statements.

CTC Estimator Training

Army personnel, U.S. Army Corps of Engineers staff, or private consultants engaged in developing CTC estimates must have documented training and/or experience as specified in the Army's CTC Guidance.[1]

Preparing and Updating CTC Estimates

CTC estimates must be prepared or updated annually for each site in the program in accordance with the DoD-FMR 7000.14 and applicable CTC guidance. Ten things to remember about CTC estimates:

(1) Annual update
(2) Site specific
(3) Based on current available technologies
(4) Not based on availability of funds
(5) Reflect environmental cleanup strategy in the Installation Action Plan
(6) Include all costs to complete the cleanup
(7) Use Remedial Action Cost Engineering Requirements prior to decision documents
(8) Use historical (actual) costs for recurring actions > 2 years
(9) Reported on current cost basis
(10) Must be supported by adequate documentation

For more information on Cost-To-Complete, go to https://aero.apgea.army.mil (password required).

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[1] *Guidelines for Developing Auditable Cost-to-Complete Estimates for the U.S. Army Environmental Cleanup Programs, Office of the Assistant Chief of Staff for Installation Management, Director of Environmental Programs, January 2006*